#### WELCOME to the Government-Wide Purchase Card Program



#### Overview

- PURPOSE
- PURCHASE CARD USES
- DEFINITIONS
- AUTHORIZED USES
- UNAUTHORIZED USES
- ACQUISITION PROCEDURES
- AFFIRMATIVE PROCUREMENT
- SPECIAL TRAINING

### WHAT GOVERNS THE PURCHASE CARD PROGRAM?

- FAR Part 13
- AFI 64-117

http://afpubs.hq.af.mil/pubfiles/
af/64/afi64-117/afi64-117.pdf



### Purpose of the Purchase Card

 To simplify Small Purchase Procedures.

 Accommodate the purchase of commodities and non-personal services up to \$2,500.



#### Uses of the Purchase Card

- **As a purchase tool**. The Purchase Card is not limited to the purchase of urgent requirements. Routine, recurring, or non-recurring requirements may also be purchased using the Card.
- **As a payment tool**. The Purchase Card may be used to pay for orders placed against established sources of supply when authorized by the respective contract or regulation.



### Servicing Contracting Office (SCO):

#### The 43d Contracting Squadron

- Administrative and local purchase support to the cardholder's organization.
  - Approving / disapproving, and processing
     Purchase Card applications
  - Issuing delegations of contracting authority
  - Providing mandatory training and surveillance.
  - Also the Dispute Office

# FINANCE OFFICE: THE DESIGNATED BILLING OFFICE (DBO)

- Helps train cardholders and billing officials on:
  - Funding document maintenance
  - Account certification, and
  - Billing procedures.



# Billing Official (BO):

 Individual designated by the squadron Commander to oversee all aspects of their organization's Purchase Card program.

 Receives billing statement from bank.

## BILLING OFFICIAL para 4.3.4

- Cardholder cannot be his/her own BO
- BO cannot be subordinate to CH
- BO cannot be a CH on same MAC
- All BOs should have an alternate
- BO can cancel a card at any time

#### Cardholder:

- Individual to whom a Purchase Card is issued.
- The Card bears this person's name and <u>may only be</u> <u>used by this individual</u> to pay for authorized U.S. Government purchases in compliance with FAR, and applicable USAF regulations and command procedures.
  - The Cardholder has the same responsibility as Contracting Officers in obligating government funds.

#### Chief of Supply (COS):

Supply Customer Service

- The COS, or designated individual, is the installation supply accountable officer who:
  - confirms assets are not available offthe-shelf,
  - verifies that the item is on the units
     Table of Allowance, and
  - establishes required equipment accountability.

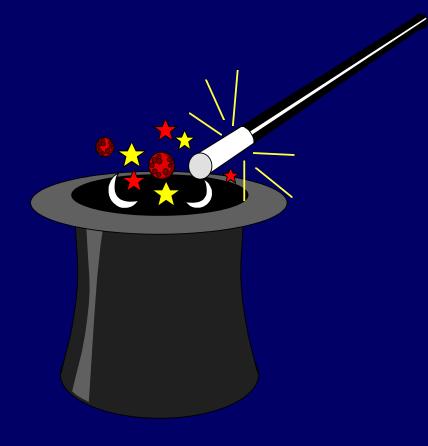
#### Micropurchase:

• An acquisition of supplies or services (except construction) where the aggregate amount of which does not exceed \$2,500.

Construction services not to exceed \$2,000

#### Purchase Card Program Manager (PCPM)

394-6290



DOLLAR LIMITS
Para 3.2 and 4.3.4.1.1

- Single Purchase
- Monthly Cardholder Lin
- Funding Document (AF Form 4009)
  - Will show up as a quarterly limit

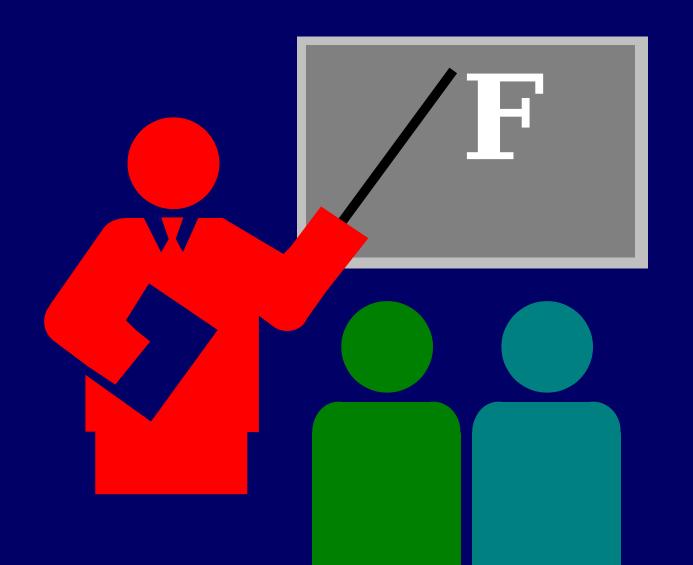
# Credit Limit vs AF Form 4009 LimitaxAMPLE

YOUR
AF Form 4009
Vs.

5,000.00 for 1st quarter

YOUR 30 Day LIMIT = \$5,000.00 /mo

#### Spending Limits Can Fail!



# AUTHORIZED USE OF THE PURCHASE CARD AFI 64-117 Chapter 2

... "to purchase supplies, equipment, and non-personal services up to the micropurchase threshold (\$2500.00) . . . . "

See Do's and Don'ts Handout

### Required Sources of Supply (In Order of Precedence)

FAR Part 8.1

- Federal Prison Industries (UNICOR)
- NIB/NISH (JWOD)
- Federal Supply Schedules
- Commercial

### Required Sources of Services (In Order of Precedence)

FAR Part 8.1

- NIB/NISH (JWOD)
- Federal Supply Schedules
- UNICOR or Commercial

#### Authorized Uses

Cont

- All Defense Automated Printing Services (DAPS) requirements
- It may be used in lieu of Standard Form 44
   or cited as the method of payment on
   agreements, delivery orders, and contracts.
- The Purchase Card may be used to purchase authorized items from the Defense Commissary Agency and the Military Clothing Sales Store.

- Hazardous and potentially hazardous material.
  - Base bio-environmental engineer
  - Hazardous material pharmacy
    - » Review HAZMAT AFI and Handouts
- Medical / Dental items may be purchased using the Purchase Card only after proper coordination with the Medical Logistics Flight.

- Communication and computer equipment software.
- Visual Information
  - Equipment and Services
    - » Base VisualInformation Manager



- Non-expendable budget code 9 equipment and supplies.
  - Unit Equipment Monitor

- Repair services
  - Must be coordinated through the Base Contracting Office to verify that the repair is not already covered by an existing contract.

- Construction services up to \$2,000 with an approved AF Form 332.
  - Base Civil Engineering
- Books and manuals
  - Check with Base Library
- Professional services
  - Base Contracting Office

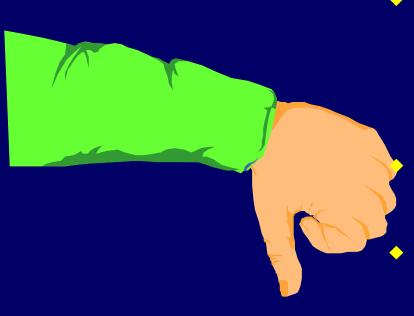
#### \$2,500 & Under \$25,000

- Is item on a prepriced government contract or BPA/GSA/VA delivery order?
  - If NO, STOP!
  - ALL PURCHASES OVER \$2,500 MUST BE PRE-APPROVED BY CONTRACTING AND THE CARDHOLDER MUST BE ISSUED A DELEGATION LETTER



The USAF is not liable for unauthorized use of the Purchase Card.

#### YOU ARE !!!!!



 Liable for the total dollar amount of unauthorized purchases.

Charged up to one months base pay.

Subject to disciplinary action under DOD and USAF directives and regulations.

#### **Unauthorized use includes:**

- Use of the Card by a person other than the cardholder who has no actual, implied, or apparent authority for such use, and from which the cardholder receives no benefit.
- Cash advances
- Money Orders

- Purchase of travel related tickets.
  - Travel Card

 Meals, drinks, lodging, or other travel or subsistence costs.

#### Unauthorized Uses <del>(cont.)</del>

- Rental /lease of buildings exceeding 30 days.
- Printing by commercial sources.
- Personal services.
- Items with special security characteristics.
- Gifts.
- Utility services.
- Major telecommunication systems.

- Centrally managed items related to weapon systems para 2.2.9
- Janitorial, yard and maintenance services, other than repair services.
- Controlled Cryptographic Items (CCI)

- Purchase of aviation, diesel, or gasoline or heating fuel or oil for aircraft and motorized vehicles. (Exception: Transportation Squadrons may purchase oils/lubricants for vehicles and support equipment)
- Repair of leased vehicles

- Purchases from the Commissary, or MWR outlets (within CONUS only)
- EXCEPTION: Rental of MWR facilities for OFFICIAL functions is allowable. Prior coordination with the servicing finance office is required to determined restrictions on the funds intended to be use.
- Construction of any kind over \$2000.00

#### Unauthorized Uses <del>(cont.)</del>

 Hazardous/dangerous items SHALL NOT be purchased without bio-environmental engineering office or hazardous material office (The HAZMAT Pharmacy) approval and proper control numbers issued. This is IAW AFI 32-7086.

## Unauthorized Uses <del>(cont.)</del>

- SPLITTING REQUIREMENTS TO STAY BELOW THE SINGLE PURCHASE LIMITS (e.g., for a number of like supplies or services in separate payments.)
- A good rule of thumb: If the supplies or services would have been consolidated on an AF Form 9, they should be consolidated when using the Purchase Card.

## VIOLATIONS OF PROCEDURES

• If, as a result of findings from a surveillance visit, or by any other means, it is discovered the cardholder / billing official is in violation of procedures contained herein the following actions will be initiated:

### Violations (Cont.)

- (1) The cardholder's commander takes appropriate action against the cardholder and,
- (2) The cardholder receives remedial training on Purchase Card procedures; that after these actions have been accomplished, the monthly purchase limitation will be changed to reflect the previous requested amounts, and that further offenses will be grounds to revoke Purchase Card privileges for that card holder.

### Violations (Cont.)

- The GPM will take appropriate action with the Bank to change the cardholder's monthly purchase limitation.
- If an unauthorized purchase is made, the cardholder's BO will be notified through the cardholder's commander for appropriate action.
- Cardholder accounts will be <u>terminated</u> for repeat violations.

#### GOVERNMENT-WIDE

**PURCHASE** 

**CARD** 

**SHALL ONLY** 

**BE USED TO** 

**PAY FOR** 

**AUTHORIZED** 

**GOVERNMENT** 

**PURCHASES** 



International

Merchant

Purchase

Authorization

Card



US Bank IMPAC Card Services

### Do's

- ★ Purchases under
- \$2500
- \* Commodities
- \* Equipment
- \* Repairs
- \* Nonpersonal Services
- \*Construction Services up to \$2000
- \* Professional Services
- Decke/Magazinea

### Advantages

- \*Customer Empowerment
- \*Less Panerwork

Tax Exempt

### Dont's

- \*Purchases over \$2500
- **★Cash advances**
- \* Splitting Requirements
- \*Lease of motor vehicles
- \*Repair of leased vehicles
- \*Rental or lease of land or buildings
- **★**Travel tickets
- \*Travel-related costs (subsistence, lodging)
- **★** Aviation fuels/oils
- \* Explosives, Munitions, Toxins and firearms
- \*Janitorial, yard and maintenance services
- \* Personal clothing/footwear
- \* Printing/copying services
- \* Personal services
- \*Classified/Sensitive items
- \*Telecommunication Services
- \*Construction above \$2000
- **★MWR** items

## There are exceptions to some of the above items. Find out what

they are by asking the GPCM

### OTHER BASE APPROVALS

- \* Photographic/Audiovisual items
- \* Potential Hazardous Materials:

Hazmat Pharmacy onstruction/Civil

Engineering:

- \*Communications/Computer Software/Telephone Instruments
- \* Books and Publications: Base Library , Medical Logistics
- \*medical Items:
  Rental/Lease of Motor
  Vehicles:

**Chief of Transportation** 

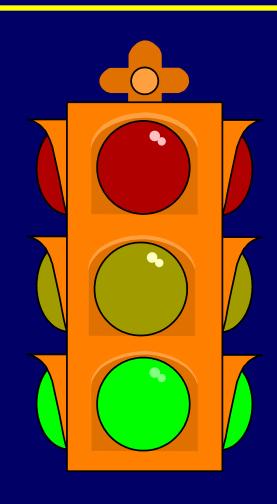
\* Professional Services/Repairs:

## with O & M Funds?

See AFI 65-601 V1 at <a href="http://afpubs.hq.af.mil/elec-products/series.stm">http://afpubs.hq.af.mil/elec-products/series.stm</a> for answers.

What Coordination is Needed Prior to Making Purchases (para 2.2 and 2.3)?

## DID YOU CONTACT THE RIGHT PEOPLE?



## PROPER COORDINATION BEFORE YOU BUY!!

- Photographic: Base Audiovisual Manager
- Hazardous Materials (This could be liquid Soap): Requires a control number and proper forms. HAZMAT PHARMACY
- Civil Engineer materials and Real Property (installed equipment): Base Civil Engineer

## PROPER COORDINATION BEFORE YOU BUY!!

- Computer Equipment (Software and Communication Equipment):
- Installation Communication Squadron (requires C4 Systems Requirements document and AD EC approval).
- FIP/ADPE resource acquisitions must be compliant with Air Force, AMC, and local FIP/ADPE architecture standards.

## PROPER COORDINATION BEFORE YOU BUY

- Medical Supplies/Equipment: Base Hospital/Clinic Medical Material Section
- Class I Ozone Depleting Substances:
   Requires a Waiver, Contact CES/CEV
- Books, audio, and video materials: Base Librarian Note: Funds may be available.
- Supplies for resale or reissue.

## PROPER COORDINATION BEFORE YOU BUY

- Paid Advertisements: Appropriate authority is Base Public Affairs Office
- Official protocol functions: Appropriate base Protocol and Finance office to ensure regulations are followed and the proper appropriated funds used.
- Payment of Training Requirements: Mil & Civ (DD1556) Training Office and RA

## Establishing an Account



## NOW, LETS GET YOUR CARD!

- Commander appoints YOU in a letter as a new cardholder
- Your dollar limits are established and added to the AF 4009
- You attend Purchase Card training
- Application is completed by yourself and your approving official

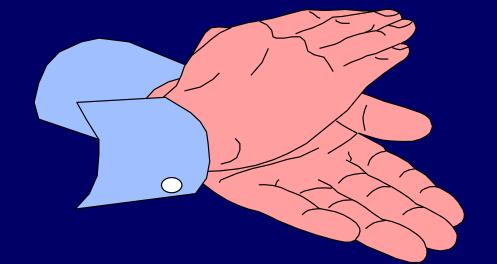


### Getting your Card, (Cont.)

- After ALL documents are received by GPM, a Delegation of Authority will be issued to you by the Contracting Office, this will detail your spending limits.
- Your application is sent to the Bank
- 07-10 days you should receive your new card.

### YOU **ARE** A <del>CARDHOLDER</del>

- You have a card, now what?
- Follow the directions on the card to activate it. Read the information sent to you by the bank.



### Canceling the Card

- Cardholder stops use of card 60 day prior to PCS
- Cardholder Maintenance
   Form is provided to GPM by Billing Official
- Card account is purged

## Canceling the Card Paragraph 4.3.4.1.3

- BO must complete a Cardholder Maintenance Form
- BO must forward verification to IPCPM that all charges are cleared and card has been destroyed
- 60 days prior to PCS

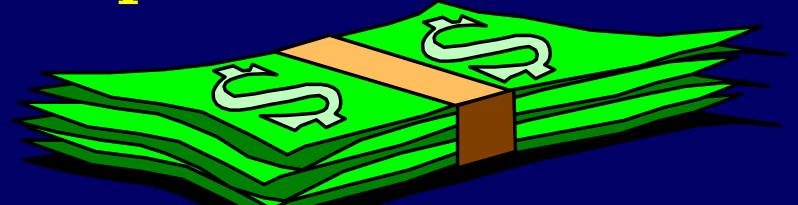
# CARDS Paragraph 4.3.4.1.5

# REPORT LOST OR STOLEN CARDS IMMEDIATELY! 1-888-994-6722

# SURVEILLANCE Paragraph 4.3.3.6

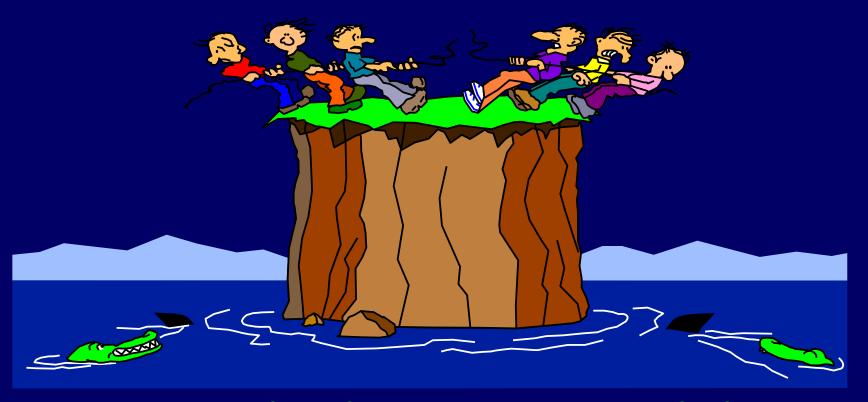
- SCO accomplishes surveillance on Billing Officials and 25% of Cardholders annually.
- Billing Officials accomplish surveillance on each of their cardholders annually.
- Billing Official surveys new accounts within first 3 months.

# MAKING PURCHASES para 4.3.5.3.1.1



Ensure Funds are Available!
Use Cardholder
Purchase Log!!!

## MAKING PURCHASES Paragraph 4.3.5.3.1.6



**Maximize Competition** 

## PROGRAM RESPONSIBILITIES FOR—

DOCUMENTATION RECONCILIATION AS A PROPERTY AND A PR

- Proper Coordination
- ALL Documentation
- SAFEKEEPING of the Card
- All items purchased over-the-counter available in 30 DAY billing cycle
- (See example)Keep all receipts of all transactions
- Ensure what you ordered/bought is what you paid for!

### **PROGRAM**

Reconcile Monthly Ensure DOCUMENTATION, RECONCILIATION, NOT incompayment the Care of the Conciliation of the Care of the Care

- Log and Receipts to Approving Official in 3 working days for review and Signature
- Disputed Items on Invoice, Contact the Vendor, then the A/O, If unable to correct, call Disputes Office

NOT include taxes,
The Government is
Tax EXEMPT

- Tax ID# 93-1175599.
- Are there enough funds in your account, or have you spent your limit?

## PROGRAM RESPONSIBILITIES FOR

- posumentation reconciliated on a freeon-board (f.o.b.) destination basis only
- Ensure total cost includes transportation cost and stays within the \$2500.00 limit.
- Rotate your sources
- Maintain warranty material on all purchases as required

- Requirements for equipment need to be researched with the Unit Equipment Custodian, and accountability needs to be ensured
- Is the price of the item fair and reasonable?

### WARRANTIES

- Services-Fixed Price
  - Commercial Practice
  - Equipment Repair
  - Period of Time
- Supplies-Fixed-Price
  - Commercial Practice
  - Inspection and Acceptance

### DELEGATION OFAUTHORITY

 No purchases shall be made without receiving a delegation of authority letter issued by the 43rd Contracting Squadron. Indicates approved single / monthly / or office limitations. You should receive this delegation within 14 days of the GPC

### Documentation

- Cardholder must maintain their <u>own</u> GPC file with purchase logs, cardholder statements, and receipts filed together by month
- Cardholder must enter all required information into C.A.R.E. (Refer to AFI 64-117, par 4.3.5.3.1.1.)
- Cardholder must maintain available balance on the purchase log for each month (Reference policy letter dated 14 Oct 99)

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# No job is complete until the Paperwork is

- Phylogonent must be retained as proof of purchase. (Receipt Lost, call vendor, they'll fax you a copy)
  - All documents pertaining to Purchase Card record keeping will be maintained by the BO and Cardholder's for 1 year after final payment.
  - All documents with Purchase Card Account Numbers must be shredded.

### BILLING ERRORS AND <del>DISPUTES</del>

- If you receive a statement with a transaction that is incorrect, you have **60 DAYS** to file a form.
- File dispute with Bank ASAP to save time.
- Next, Call the Vendor -Could be the easiest.
- Third Contact Your Approving Official and GPM
- If correction is not made on the next months bill, Call the Dispute Office

### Types of Billing Disputes

### Most common types of disputes

- Merchandise not received
- Unrecognized charges
- Unauthorized Mail and Phone Orders
- Duplicate Processing

### Reconciliation Procedures

- AFI 64-117, para 4.3.5.5
- Receive bill
- Marry-up bill, in CARE
- maintain receipts,
- purchase log CARE (mandatory)
- Carry forward all unbilled charges
- Contact vendors on all questioned items
- Forward to Billing Official in CARE.
- Retain all paper work for 1 year after a surveillance.

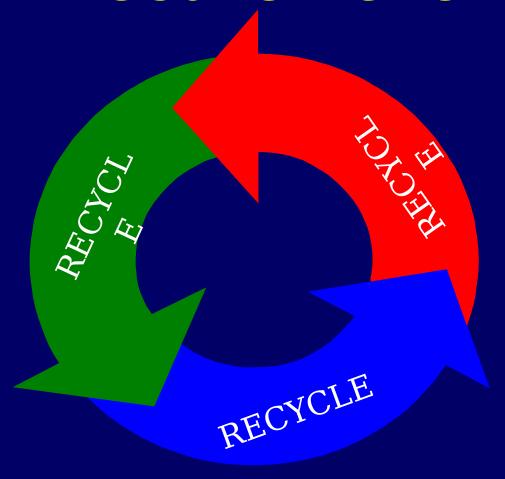
### Problem Resolution

- Cardholder resolves with Vendor
- Without resolution, fax CSQI to US Bank within 60 days
- Selected situations, fax CSQI immediately to US Bank
- Review Status of Disputed Transactions



# Paragraph 2.10 Affirmative Procurement





## What is Affirmative Procurement?

- "Buy Recycled"
- RCRA Section 6002
- Executive Order 12873
- "Comprehensive Guideline for Procurement of Products Containing Recovered Materials (CPG)"
- "Recovered Materials Advisory Notice (RMAN)"



#### Air Force Goal



- 100% of all products purchased each year in each of EPA's designated categories (CPG) shall contain recycled materials meeting EPA's guideline criteria (RMAN)
- Recycled items are in the GSA Advantage,
   Office Depot GSA, and Corporate Express
   GSA catalogs and are marked by the green recycled emblem above
- For more information: http://www.epa.gov/fedrgstr/EPA-WASTE/2000/January/Day-19/f1068.htm

### **EPA** Designated Categories paper products

- Vehicular products
- Construction products
- Transportation products
- Park & Recreation products
- Landscaping products
- Non-paper office products

### Newly Designated EPA

#### **Items**

- Construction Products
  - Carpet cushion
  - Flowable fill
  - Railroad grade crossing surfaces
- Park and Recreation Products
  - Park benches and picnic tables
  - Playground equipment
- Landscaping Products
  - Food waste compost
  - Plastic lumber landscaping timbers and posts

### Helpful Web

#### Sites

- AMC Contracting www.contracting.amc.af.mil
- GSA www.gsa.gov/impac
- DFAS www.purchasecard.dfas.mil/
- UNICOR www.unicor.gov/
- EPA www.epa.gov/opptintr/epp/creditcard.htm
- NIB/NIH www.jwod.gov/

### Helpful Web Sites



- 43rd CONS-
- AFI Web Site: O&M Funding Guidance AFI 65-601
  - http://afpubs.hq.af.mil/elec-products/series.stm
- US Bank Approving/Billing Official Guide www.usbank.com/impac/train\_mktg\_materials

### FREQUENTLY USED NUMBERS

43 CONS (Purchase Card Program)-- 4-6290

FINANCE -- 4-2406

HAZMAT-- 4-5076

**Computer 4-2607** 

**Telecomm 4-4403** 

US BANK -- 1-888-994-6722

### **Procurement Integrity**



- Honesty in all transactions
- Unauthorized
   purchases or careless
   use
- Cardholder liability
- Surveillance
  - Billing Official
  - 43 Contracting
  - AFOSI

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### FISCAL LAW & PURCHASE CARD





#### **OVERVIEW**

- THE CONGRESS
- FISCAL CONTROLS
- PECUNIARY LIABILITY
- FISCAL LAW AND GOVERNMNET PURCHASE CARD
- SUMMARY

#### THE CONGRESS

- U.S. Constitution gives Congress authority to raise revenues and appropriate the proceeds to federal agencies - The Power of the Purse
- "No money shall be drawn from the Treasury, but in consequence of appropriations made by law." <u>U.S.</u> Constitution, Article 1, Sec. 9, cl. 7
  - An agency can only obligate what is affirmatively authorized
  - Only spend what Congress says

- Purpose (31 USC 1301)
- Time (31 USC 1502)
- Amount (31 USC 1517)

- Purpose: Funds must be expended for the reasons they were made available
  - The Purpose Statute: "Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law." 13 U.S.C. Sec. 1301(a)
  - Definition: "An expenditure is permissible if it is reasonably necessary in carrying out an authorized function or will contribute materially to the effective accomplishment of that function

- Time: Funds are only available to support needs arising during their periods of availability
  - The Period of Availability Rule
    - "An appropriation is available for obligation for a definite period of time. It must be obligated during this period of availability, or the authority to obligate expires." 31 U.S.C. Sec 1552

- Time: Funds are only available to support needs arising during their periods of availability
  - The Bona Fide Need Rule
    - Statute provides that "an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period of availability..." 31 U.S.C. Sec 1502(a)

- Amount: Funds may not be expended in excess of the amount authorized
  - Every Obligation/Expenditure must be supported by an available appropriation
  - Obligation or Expenditure in <u>Excess</u> or in <u>Advance</u> of an appropriation may be a violation
  - Bottom-line: If you spend more than than you have, you are breaking the law!

#### PECUNIARY LIABILITY

- Legislation
  - » Certifying Officer Act (31 U.S.C. 3325)
  - » DoD Directive 7000.15, DoD Accountable Officials and Certifying Officers
- Accountability for public funds
- To protect Government against errors/dishonesty
- Strict personal liability for fiscal irregularities
  - » Negligent performance of duties
  - » Penalty of up to One Month's Pay!

## FISCAL LAW & PURCHASE CARD

#### Accountable Officials

- » Agency Program Coordinators
- » Approving Officials
- » Cardholders
- » Resource Managers/Fundholders

### FISCAL LAW & PURCHASE CARD

- Gov Purchase cardholder cannot spend more than authorized on AF Form 4009
  - Government funds obligated at time order placed
  - Cardholder responsible to coordinate with Approving Official to ensure funds are available
- Most Gov Purchase Cards funded with annual O&M money
  - O&M money good for that fiscal year
  - Funding document expires NLT 30 Sep
- Review Gov Purchase Card procedures for FY Close-out Procedures

# FISCAL LAW & PURHCASE CARD

- Typical Questioned Expenses:
  - Clothing
  - Food/Entertainment
  - Decorations
  - Business Cards
  - Licenses and Certificates
  - Misc. Personal Expenses

## FISCAL LAW & PURCHASE CARD

- Common Examples of Improper Purchases
  - Office Christmas Decorations
  - Food for Squadron Picnics
  - Going Away/Retirement Gifts & Plaques
  - Gift Certificates
  - Business Cards (other than Recruiters)

#### SUMMARY

- Contact the professionals
  - When in doubt call the GPM who will consult w/JA and FM
  - Call Accounting and/or Budget with specific questions
- One phone call can prevent you from PAYING for a mistake out of YOUR pocket!